

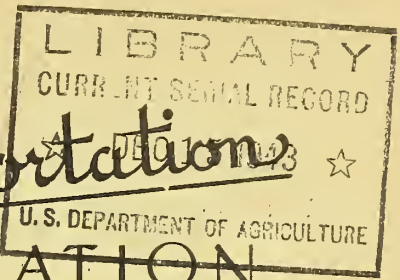
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# THE Marketing and Transportation SITUATION

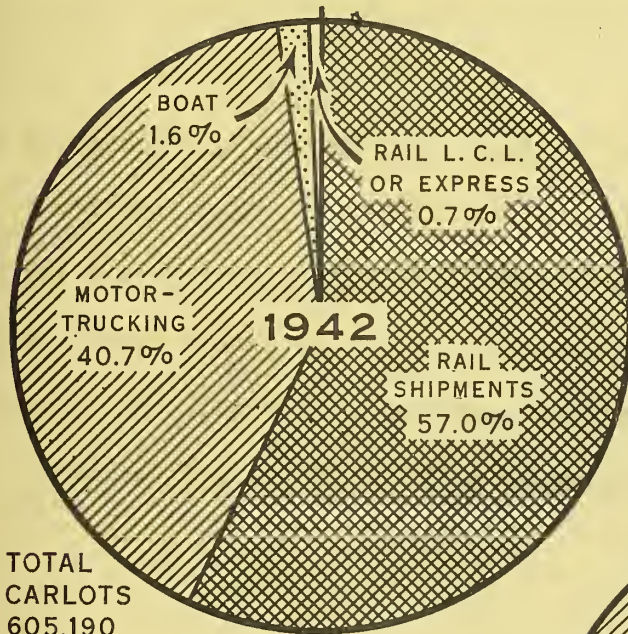


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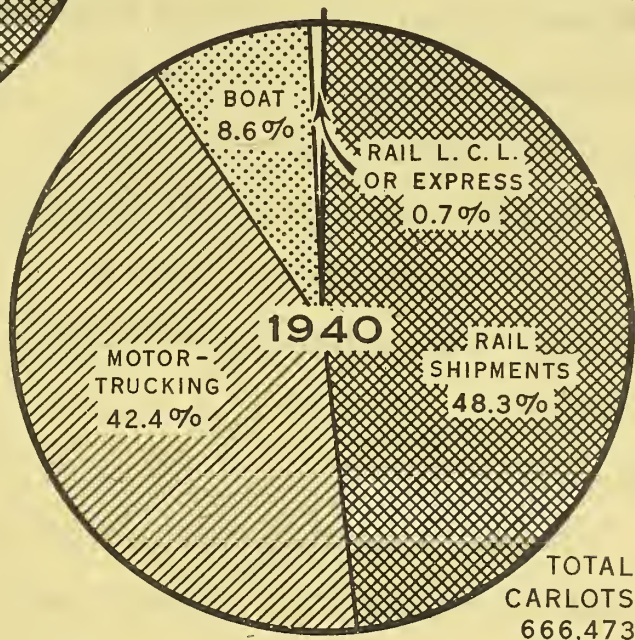
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NOVEMBER 1943



Percentage composition of total carlot equivalent unloads - by rail carlot, rail l.c.l. and express, motortruck, and boat - of fresh fruits and vegetables at thirteen primary markets, 1940 and 1942.

These charts are based on 1942 unload data of the Food Distribution Administration.



U. S. DEPARTMENT OF AGRICULTURE

NEG. 43372 BUREAU OF AGRICULTURAL ECONOMICS

THESE FIGURES DEMONSTRATE THE APPRECIABLE SHIFT IN THE TYPE OF TRANSPORTATION USED FOR FRESH FRUITS AND VEGETABLES WHICH TOOK PLACE BETWEEN 1940 AND 1942.

NOVEMBER 1943

## SUMMARY

Marketing

Charges for marketing farm food products rose slightly from September to October, but remained 14 percent below the recent peak of May 1943. About one-third of the decline since May in marketing charges is covered by subsidy payments to processors of butter and meats. The farmer's share of the retail food dollar held at 58 cents, the highest since 1919. Both payments to farmers and retail prices for farm food products rose less than one-half percent from September to October.

Higher levels of consumer income in August and September, associated with a lower level of retail food prices, reduced the share of income required to purchase the 1935-39 average per capita consumption of food to a record low of 15 percent. Actual per capita expenditures for food in September were much higher than the cost of the pre-war consumption quantities - amounting to 19 percent of consumer income, and 30 percent of average expenditure for all consumer goods and services.

Administrative orders

Food Distribution Order 83 and Maximum Price Regulation 493 for processed apples, and Food Distribution Order 79 for milk, are the latest regulations dealing with transportation, distribution, and marketing difficulties for those commodities.

Transportation

Wartime transportation needs have caused a shift away from truck and boat shipment of perishable food products, and an increase in the volume of this traffic carried in railcars by rail. The situation is complicated by a shortage of refrigerator cars, some cross-hauling of products by rail, and an acute shortage of motortruck fuel and parts which may make extreme long-distance trucking of perishable foods uneconomical compared to rail transport.

November 27, 1943



## WARTIME TRANSPORTATION OF FRESH FOOD

The maintenance of a constant supply of fresh food in the major American urban markets, always difficult although necessary to health and welfare, grows harder in wartime - particularly when accented by the rationing of preserved foods. The following study by a BAE Transportation Specialist, discusses the problem of transcontinental rail movements and long-distance motortrucking of fresh fruits, vegetables, dairy, and poultry products into designated primary markets during 1921 and 1942.

### Fresh fruits and vegetables

Fresh fruits and vegetables are moved within the United States by varying means of transportation, and the changing relationships of such traffic are of great importance in dealing with wartime problems. Table 1 shows these relationships for certain selected cities. Of the total carlot equivalents reported unloaded at 13 markets during the pre-war year of 1940 when navigation was not restricted, roughly 9 percent arrived by boat, 42 percent by motortruck, less than 1 percent by so-called l.c.l. (less than carlot) or express, and the balance of 48 percent by rail in carlots. By 1942, however, shifts had occurred in the relationship of the various reported unloads at the same markets. Movement by boat dropped to 1.6 percent; motortrucking decreased somewhat; but rail carlot shipments increased notably - from 48 to 57 percent of total reported traffic. Since total unloads by rail have increased, it is evident from these data that the railroads have been called upon to absorb some of the competitive traffic formerly transported by boat or truck.

### Extent of transcontinental rail traffic

Table 2 shows an alphabetical list of 65 fresh fruits and vegetables, and the combined number of carlots of each commodity which consisted of transcontinental shipments. These movements represent maximum distances within the continental United States - from the Pacific Coast States, California in particular, clear across the Continent to the Atlantic Coast markets of New York, Boston, Philadelphia, and the District of Columbia. In 1941 and 1942 respectively, there were 88,963 and 81,915 carlots shipped such long distances. While the combined movements recorded decreased approximately 8 percent in 1942, unloads of 17 commodities were reported to have increased from 9,822 to 11,229 carlots, or about 14 percent.

Aside from natural monopolies due to growing conditions, such as that of citrus fruit in certain localities, seasonality of production is the major justification for excessively long-distance rail movements. In off-season periods when local produce is inadequate to supply market demands, crops are attracted from other producing areas. Table 3 shows this to be the case because October was the peak month for transcontinental shipments to the primary Atlantic Coast markets, while the heaviest rail traffic other than long-distance movement occurred in May and June.

Since rail movements of farm products from 6 Western States have been predominantly eastward in the past, more westward traffic of loaded refrigerator cars is desirable except when unusual delay or uneconomic cross-hauling results. As shown in table 4, three times as much railroad traffic originated in Arizona, California, Idaho, Nevada, Oregon, and Washington as terminated in those States in 1942. Originated freight in agricultural commodities accounted for 6,263,392 tons compared with only 1,623,454 tons of terminated freight requiring

Table 1 .- Relationship of various methods of transporting fresh fruits and vegetables: Carlot equivalents of rail shipments by either freight or l.c.l. express, by motortruck movements, and by boat cargos at 13 markets reporting unloads, 1940 and 1942.

Market	Rail freight	Rail l.c.l. or express	Boat	Motor-truck	Combined unloads
1940					
Boston	35,071	564	7,985	16,205	59,825
New York	92,535	1,601	31,337	82,305	207,778
Philadelphia	30,912	-	5,983	37,568	74,463
Pittsburg	27,173	29	-	5,151	32,353
Baltimore	11,160	83	3,921	-	15,164
D. C.	5,999	207	-	3,367	9,573
Atlanta	4,286	45	-	13,378	17,709
New Orleans	3,793	-	1,649	4,930	10,372
Chicago	70,077	-	-	17,877	87,954
Kansas City	10,159	40	-	3,938	14,137
St. Louis	19,461	-	-	5,665	25,124
San Francisco	4,805	283	2,366	17,563	25,017
Los Angeles	7,965	222	4,284	74,533	87,004
Total	323,396	3,074	57,525	282,478	663,473
Percentage	48.3	0.7	8.6	42.4	100.0
1942					
Boston	35,643	735	273	13,585	50,236
New York	102,349	2,106	4,860	69,870	179,185
Philadelphia	34,750	418	666	30,035	65,919
Pittsburg	24,139	40	-	4,793	28,972
Baltimore	13,826	132	1,028	-	14,986
D. C.	6,818	216	-	6,270	13,304
Atlanta	5,722	50	-	13,021	18,793
New Orleans	5,793	6	482	4,816	11,097
Chicago	65,404	671	-	17,033	83,108
Kansas City	11,073	7	-	4,040	15,120
St. Louis	19,264	-	-	5,886	25,150
San Francisco	8,157	89	71	16,536	24,853
Los Angeles	11,591	72	2,394	60,410	74,467
Total	344,529	4,542	9,774	246,345	605,190
Percentage	57.0	0.7	1.6	40.7	100.0

Source: Food Distribution Administration unload reports of the Fruits and Vegetables Market News Offices, 1942.



Table 2 .- Transcontinental rail shipments of fresh fruits and vegetables:  
Combined carlot unloads at markets 1/ on the Atlantic Coast of  
specified commodities originating from States 2/ in the  
Western area, 1941 and 1942

Commodity	Carlot unloads		Commodity	Carlot unloads	
	1941	1942		1941	1942
Anise .....	177	128	Melons, honeyball....	608	441
Apples .....	3,084	3,076	Melons, honeydew....	2,801	2,153
Apricots .....	288	233	Melons, Persian....	47	3/ 91
Artichokes.....	231	3/ 499	Melons, mixed.....	727	587
Asparagus .....	1,137	724	Mixed beans .....	31	0
Avocados .....	92	3/ 149	Mixed citrus.....	435	423
Avocados and limes..	1	1	Mixed deciduous....		
Beans .....	88	72	fruit .....	412	264
Broccoli .....	1,013	936	Mixed fruit.....	27	11
Brussel sprouts....	189	90	Mixed fruit & veg. :	1	3
Cabbage .....	16	13	Mixed vegetables....	1,490	1,371
Cantaloups.....	4,176	3,477	Mixed melons and :		
Cardoon .....	1	0	vegetables.....	1	0
Carrots .....	4,711	4,706	Nectarines.....	128	3/ 161
Casabas .....	72	23	Olives .....	12	3/ 51
Cranshaws .....	1	4	Onions .....	559	3/ 692
Cauliflower .....	1,512	1,449	Oranges .....	19,298	19,138
Celery .....	2,588	1,781	Parsley .....	7	1
Cherries .....	624	459	Peaches .....	38	3/ 81
Chicory .....	72	55	Pears .....	3,949	3/4,222
Dangelion greens....	4	0	Peas .....	2,325	1,529
Dates .....	35	29	Peppers .....	29	15
Dates and oranges...	1	0	Persimmons .....	52	3/ 63
Endive .....	214	3/ 216	Plums and prunes...	2,569	3/2,588
Escarole .....	1	0	Pomegranites.....	33	3/ 50
Figs, fresh .....	59	41	Potatoes .....	2,126	1,316
Garlic .....	61	3/107	Prickly pears .....	20	3/ 36
Grapes .....	10,832	9,824	Quinces .....	0	2
Grapefruit .....	565	3/ 861	Radishes .....	1	0
Greens, various .....	142	85	Raspberries .....	0	1
Lemons .....	5,671	5,254	Rhubarb .....	157	44
Lettuce .....	12,169	10,918	Spinach .....	1	6
Limes .....	13	3/ 17	Tomatoes .....	1,239	3/1,345
Loquats .....	0	1			
Total, all fruit :					
and vegetables ...:				88,963	81,915

Source: Food Distribution Administration unload reports of the Fruits and  
Vegetables Market News Offices, 1942.

1/ New York, Boston, Philadelphia, Washington, D.C. 2/ Arizona, California, Idaho,  
Oregon, Utah, and Washington. 3/ Commodities for which carlot shipments during  
1942 were an increase over 1941 unloads at 4 markets on the Atlantic Coast. (As  
an aggregate, these 17 commodities increased 1,407 carlots or 14.3 percent -  
from 9,822 in 1941 to 11,229 during 1942.)

refrigerator cars. Terminated tonnage of animal products increased by 291,886 carloadings in 1942 to more than double the quantity for the previous year. No doubt these unusual increases in westward movements indicate shipments for military and other extraordinary use; but the economies of better balanced, two-way traffic could well be considered in planning for post-war transportation policy.

### Cross-hauling by rail

Some questions have arisen about the justification for continued long-distance movement from Southern or far-Western States into markets on the North Atlantic Coast, often in the same months when Northeastern crop surpluses are cross-hauled back to the West or South. The over-all cross-haul picture is not known; but fragmentary data available tell us that the total amount, though relatively small in tonnage, is significant. It is estimated by reported unloads from States of origin that for only 9 markets during 1942 there could have been a saving of more than 5,500 freight cars if cross-hauling had been eliminated. Table 4 shows that over 3,000 carlots of potatoes were cross-hauled 1/ - Maine potatoes moving west to St. Louis or Chicago during months when Idaho potatoes were reported unloading at Boston, New York, and Philadelphia. An estimated 1,160 carlots of apples were cross-hauled, 454 carlots of cabbages, over 400 carlots of cauliflower, and nearly 200 carlots of carrots.

The significance of these figures lies in the fact that they indicate the possibility of even greater efficiency and more economic use of our limited transportation facilities than has already been attained, if some of the present cross-haul movement were eliminated. This is especially important in relation to the restricted supply of refrigerator cars, which is called upon to face an ever increasing wartime demand for refrigerated rail transportation. The Office of Defense Transportation and the War Food Administration already have initiated steps in this direction, designed to curtail the amount of cross-hauling and otherwise conserve the use of available equipment.

### Long-distance motortruck movements

Despite gasoline shortage, tire conservation efforts, and war programs to prolong the usefulness of existing truck equipment, there was a large volume of long-distance motor trucking in 1942. Of the total reported unloads at designated markets during 1942, an estimated 5 percent of certain dairy and poultry products and 4 percent of reported fresh fruits and vegetables were trucked more than 600 miles. Trucking to both Atlantic and Pacific Coasts originated in Arkansas, Idaho, Iowa, Kansas, Missouri, Montana, Nebraska, Washington, and Wisconsin.

Statistics on the mileage of long-distance trucking have been converted to carlot equivalents, in order to clarify the burden which an assumed shift from truck to rail would place on the railroad system. For example, in 1942 in the markets of New York City, Boston, Pittsburgh, and Philadelphia, 3,578 carlots of dairy and poultry products and 6,409 carlots of fresh fruits and vegetables originated beyond the 600-mile limit; while 3,754 carlots of dairy and poultry products and 12,880 carlots of fresh fruits and vegetables originated beyond the 300-mile limit.

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1/ "Cross-haul" equals the volume of freight moving from one point to another when an equal or greater volume is moving between those points in an opposite direction.



Table 3 .- Monthly seasonality of transcontinental 1/ compared with other rail shipments of fresh fruits and vegetables: Number of carlots unloaded at designated primary markets 2/, 1941 and 1942

Month	: Other than trans-continental rail shipments	: Originating in 6 far Western States (Carlots unloads)	: Total unloads at designated markets
	1941	1941	1942
Jan. ....	17,026	4,860	5,421
Feb. ....	15,614	4,505	4,509
Mar. ....	17,928	5,111	5,340
Apr. ....	18,467	5,493	5,610
May ..... 3/	20,234	5,567	5,206
June ..... 3/	19,493	6,835	6,371
July ..... 3/	16,587	8,989	7,543
Aug. ....	11,577	8,652	7,364
Sept. ....	12,704	8,768	8,002
Oct. ....	14,372	3/11,486	10,286
Nov. ....	15,297	8,799	7,609
Dec. ....	17,604	6,840	5,105
Total.....	196,903	85,905	78,365

Source: Food Distribution Administration unload reports of the Fruits and Vegetables Market News Offices, 1942.

1/ Transcontinental rail movements into New York, Boston, Philadelphia, Washington, D.C. (on the Atlantic Coast) from 6 far western States of Ariz., Calif., Idaho, Oreg., Utah, and Washington. 2/ Designated primary markets were: N.Y., Boston, Philadelphia, Washington, D.C., Atlanta, New Orleans, Chicago, Kansas City, St. Louis, San Francisco, and Los Angeles. 3/ Seasonal peak movements.

Table 4 .- Cross-haul movements by rail: Reported carlots of specified fresh fruits and vegetables unloaded at 9 designated markets, 1942

Commodity	: Eastward shipments unloads at 3 markets	: Carlots unloads at other designated markets	: Estimated cross-hauling
	1/	2/	3/
Potatoes .....	1,503	590	259
Apples .....	580	421	110
Cabbages .....	227	34	63
Cauliflower.....	205	136	53
Carrots .....	99	96	3
Celery .....	81	30	19
Peaches .....	36	32	3
Pears .....	22	20	2
Lettuce .....	15	6	3
Cranberries.....	10	10	-
Broccoli .....	6	6	-
Total....	2,784	1,381	515

Source: Food Distribution Administration; unload reports of the Fruits and Vegetables Market News Offices, 1942.

Designated markets: 1/ Chicago; 2/ St. Louis; 3/ Kansas City; 4/ New Orleans; 5/ District of Columbia; 6/ Atlanta; 7/ Three markets, destination points of Eastward shipments, were: New York City, Philadelphia, and Boston.

Table 5 -- Various "long-distances" for motortruck movements of fresh fruits and vegetables: States of origin for carlot equivalents of unloads at designated markets, 1942

Minimum distances to designated markets 1/					Minimum distances to designated markets 1/				
State of origin	300 miles	400 miles	500 miles	600 miles	State of origin	300 miles	400 miles	500 miles	600 miles
	Car- lots	Car- lots	Car- lots	Car- lots		Car- lots	Car- lots	Car- lots	Car- lots
Ala. ....	137	31	4	4	N. Mex. ....	107	107	107	7
Ark. ....	116	110	0	0	N. Y. ....	102	102	102	83
Colo. ....	141	141	104	95	N. C. ....	3,544	294	294	0
Del. ....	228	5	5	5	Ohio. ....	262	124	12	0
Fla. ....	8,060	8,004	8,004	8,004	Oreg. ....	228	140	140	0
Ga. ....	753	700	670	530	S. C. ....	2,062	2,023	1,395	29
Idaho ....	137	137	137	23	Tenn. ....	937	3	3	3
Ind. ....	124	50	46	6	Tex. ....	1,048	842	559	280
La. ....	497	497	135	135	Utah. ....	207	3	0	0
Md. ....	393	13	12	12	Va. ....	138	3	3	3
Mich. ....	1,254	314	314	106	Wis. ....	382	73	72	72
Minn. ....	165	12	12	12	Wyo. ....	513	513	513	513
Miss. ....	110	0	0	0					
Total. ....	12,115	10,014	9,443	8,932	Total. ....	9,530	4,227	3,200	990
Various "long distances" for trucking dairy and poultry products: States of origin for carlot equivalents of unloads at designated markets, 1942 (In Carlots 2/)									
Calif. ....	269	269	269	29	Nebr. ....	799	799	309	291
Colo. ....	216	216	147	91	N. Dak. ....	192	192	88	45
Idaho ....	727	727	484	164	Ohio ....	165	128	20	-
Ill. ....	218	218	218	216	Okla. ....	414	410	410	7
Iowa ....	1,315	1,315	1,315	1,315	Oreg. ....	338	430	165	124
Kans. ....	1,079	1,013	339	339	S. Dak. ....	316	316	282	17
Minn. ....	648	646	646	646	Tenn. ....	213	188	177	177
Mo. ....	357	357	357	357	Utah ....	306	267	1	1
Total. ....	4,829	4,761	3,775	3,157	Total. ....	2,943	2,730	1,452	662

Source: Food Distribution Administration; calculations based on data published by Market News Division of the Dairy and Poultry Products Branch, reporting origin of receipts by rail and truck, 1942.

1/ Designated markets: (North Atlantic) New York City, Boston, and Philadelphia; (Pacific Coast) Los Angeles and San Francisco.

2/ Carlot equivalents of reported unloads (average weights per carload); Butter-27,330 lb; eggs-406.8 cases (of 30 doz. each and weighing about 60 lb. per case); cheese-35,849 lb.; also dressed poultry-27,444 lb.



A series of arbitrarily-selected mileages are presented for fresh fruits and vegetables in table 5, and for dairy and poultry products in table 6. Breakdowns are shown for those States of origin which are beyond a minimum of 300, 400, 500, and 600 mile radius from the reporting markets. Though no particular mileage represents the border between long and short-haul trucking, it is generally agreed that it is somewhere within the 300-600 mile range.

Any future addition to the unprecedented demands now placed on our domestic transportation system will necessitate further economies. Not only will line-haul and terminal efficiencies have to be increased, but an acute shortage of equipment might call forth a policy of restricted use. In case apportionment or rail-haul priorities are considered, excessive distance in rail movement and long-haul trucking will form a crucial problem.

More economical use of available rail and truck equipment is not only a wartime essential, but might well become an objective for the post-war period. At present any possible mileage limitations on long-distance trucking could be justified, in part, by the wartime necessity for conserving equipment, fuel, and manpower. Shortages should disappear in the post-war period, but the fundamental transportation problem is of a long-run nature. Efforts to restrict long-distance motor trucking would no doubt force the traffic to be shifted to railroads. This would not only overburden the existing rail system, but would create a post-war choice between competition to regain former traffic and an intensive program to coordinate rail with other forms of transportation.

Today, as in the post-war period, however, the problem of excessive haul and cross-haul is bound to exert a powerful effect on both the transportation and the marketing system.

W. Gordon Webner

#### CURRENT DEVELOPMENTS IN MARKETING AND TRANSPORTATION

FDO 83 and MPR 493 - Apples - To insure an adequate supply of apples for processing, Food Distribution Order 83 provides that lower grades of apples produced in specific regions be sold only for processing. Apples packed in closed containers before that date, and small apples of high grade, were exempt. Worry in the trade about margins was cleared up on November 15 when Maximum Price Regulation 493 for processed apples was issued by the Office of Price Administration. The margins allowed under its retail price ceilings seem to satisfy producers; at least, no complaints have been heard to date.

FDO 83 also bears on the current refrigerator car supply problem, and in this respect shows how difficult it is to solve problems of marketing without affecting the transportation situation. Among other things, the order is intended to divert some part of eastern apple production away from table consumption to nearby plants and to a limited number of mid-west processors. Since some western apples will certainly move East for fresh use, the small volume of westward movement for processing can be said to constitute cross-hauling. Though FDO 83 is expected to affect some 20 percent of the entire 1943 apple crop, cross-hauling is expected to be extremely slight. In fact it may be reduced below previous levels to the extent that processors formerly using Northwest apples will be provided with local supplies.



The acknowledged tightness in the supply of refrigerator cars for the transportation of fresh fruits and vegetables and dairy products thus seems to increase the difficulty of allocating apples for processing.

FDO 79 - Distribution of Fluid Milk Products - In an effort to maintain production of concentrated dairy products (dried and evaporated milk, cheese, and butter) to supply wartime needs, the War Food Administration has authorized regulation of fluid milk sales through dealer quotas based mainly on sales volume in recent months. Buttermilk, skim and flavored milk, and cottage cheese may be reduced somewhat below the level of current sales, so that still more of their ingredients may be used in the manufacture of concentrated foods. As in the case of FDO 83 for apples, FDO 79 is intended to maintain sufficient supplies for manufacturing.

In the case of a highly perishable product such as milk, rationing (the only possible alternative to the quota system) would prove extremely difficult, and might result in a large degree of spoilage waste, as well as in strain on refrigerated storage facilities. Separate quotas may be applied to special purchasers such as hospitals in cases of hardship. The reduction in fresh-milk haul from creameries to the major urban markets which should follow this order might, to some extent, ease the pressure on the limited number of refrigerator cars.

In the case of this distribution-and-conservation order, existing price regulations will be maintained.

#### Farm-Retail Price Spreads, October 1943

##### Food marketing charges remain stable through August and September

Charges for marketing the "food basket" of farm food products showed practically no change in October from the levels of the two preceding months. The charges for marketing the "food basket," which contains quantities of farm food products equal to annual purchases of a typical workingman's family, amounted to \$184 in October 1943, compared to \$183 in September and \$185 in August. The current levels of food marketing charges represent a decline of \$30, or 14 percent below the recent high of \$214 in May of this year. About a third of the decline below May levels may be ascribed to subsidy payments to processors of butter and meat products. The remainder of the decline reflects mainly lower marketing charges for fresh fruits and vegetables.

##### Farmer's share of retail food dollar holds at record peak

Payments to farmers for food products in October amounted to 58 cents of the average retail dollar spent by consumers for these products. The share was the same for August and September, the highest on record since 1919. In October 1942 the farmer's share was 54 cents, and the pre-war 1935-39 average was 42 cents.

### Retail food prices rise slightly into October

Costs to consumers of the farm product "food basket" rose slightly from \$438 in September to \$440 in October. Retail prices of farm food products have been quite stable following a decline of \$35, or 7 percent, below the recent high of \$475 in May 1943. Of the \$35 decline in the retail cost of the "food basket" between May and October of this year, about \$30 was contributed by a decrease in marketing margins, including roughly \$11 in subsidy payments - the remaining \$5 representing lower payments to farmers.

### Farm prices of food products rise slightly into October

Payments to farmers for products equivalent to the items included in the "food basket" increased less than 1/2 percent from \$255 in September to \$256 in October, after remaining unchanged during the 3 preceding months. The high point was \$261 during April and May of this year - the current level of farm payments representing a decline of \$5, or 2 percent below these peak levels. Since March 1943 payments to farmers have fluctuated much less than retail food prices and food marketing charges.

### Food marketing charges below pre-war level

"Food basket" marketing charges of \$184 in October 1943 were merely 4 percent below the 1935-39 average of \$191. Marketing agencies are being paid subsidies on butter and meat products which are not included in the computation of marketing margins for the "food basket".

### Price decline exceeds subsidy payments on meat products

Average retail prices of meat rolled back about 10 percent in August from the peak levels of June and have remained unchanged since. The decline in marketing charges on meat products is greater than the decline in retail price, and both are greater than the total subsidy payment, while payments to farmers after deducting by-product allowances have increased about 3 percent. Partly as a result of processor-subsidy payments, the farmer's share of the retail meat dollar rose to a record high of 76 cents in September, after allowing for values of byproducts.

### Farm and retail prices of fruits and vegetables continue to decline

Retail prices of fresh fruits and vegetables show the greatest decline of any food group from May to October, with practically no change from September to October. The decline from the May level of total retail cost in this group amounted to about 27 percent - roughly equal to the percentage decline in payments to farmers. From September to October payments to farmers dropped off slightly while the margin rose by an equivalent amount, and the farmer's share of the retail dollar fell from 46 to 44 cents.

### Commodity margins show variable charges

From September to October the marketing margin for sweetpotatoes fell from 6.0 cents to 4.7 cents per pound while the margin for white potatoes increased by 11 percent. Other declines in marketing margins included 3 percent for dairy products, 4 percent for rice, and 7 percent for navy beans.



Cost of "food basket" drops to record low share of average consumer income

The combination of a rollback of the food prices and continuing advances in average per capita income payments for the average U. S. civilian consumer, brought the per capita cost of the average 1935-39 "food basket" to a record low of 15 percent of income for August and September 1942. Actual per capita food expenditures, after seasonal adjustment, equalled 19 percent of consumer income in September, but amounted to 30 percent of total consumer expenditure for all goods and services.

Growers receive increased share of the product value of cottonseed mills

During the first 3 months of the 1943-44 marketing season cottonseed crushing mill margins averaged lower than the latter half of the 1942-43 season. Payments to farmers for cottonseed rose slightly more than mill sales value of products, and the farmer's share of mill sales value rose from 68 percent in July to 73 percent in October.

SOME RECENT PUBLICATIONS IN MARKETING

Processed Fruits and Vegetables in Relation to the Supply of Tin Plate;  
by F. L. Thomsen and Richard Gabel;  
(BAE, 1943).

Improving the San Francisco Wholesale Fruit and Vegetable Market; by  
W. T. Calhoun, H. E. Erdman, and  
G. L. Mehren; BAE in Cooperation  
with the University of California  
Agricultural Experiment Station;  
(Berkeley, 1943).



Table 6 .- Annual family purchases of 58 foods 1/

Year and month	Cost at retail:		Paid to farmers		Marketing margin		Farmer's
	Percent-		Percent-		Percent-		share
	age of		age of		age of		of
	Dollars:	1935-39	Dollars:	1935-39	Dollars:	1935-39	retail
		average		average		average	value
							Percent
1913-15 average:	236	71	135	96	121	63	53
1920 .....	514	155	272	193	242	127	53
1929 .....	415	125	195	138	220	115	47
1935-39 average:	332	100	141	100	191	100	42
1940 .....	314	95	132	94	182	95	42
1941 .....	342	103	164	116	178	93	48
1942 .....	398	120	209	148	189	99	53
1942 - Oct.	414	125	224	159	190	99	54
Nov.	418	126	227	161	191	100	54
Dec.	423	127	234	166	189	99	55
1943 - Jan.	430	130	241	171	189	99	56
Feb.	432	130	246	174	186	97	57
Mar.	448	135	257	182	191	100	57
Apr.	462	139	261	185	201	105	56
May	475	143	261	185	214	112	55
June	470	142	260	184	210	110	55
July	451	136	255	181	196	103	57
Aug.	440	133	255	181	185	97	58
Sept.	438	132	255	181	183	96	58
Oct.	440	133	256	182	184	96	58

1/ Important food products produced by American farmers combined in quantities representing annual purchases by a typical workingman's family. Retail price average for 56 cities from U. S. Bureau of Labor Statistics.

Table 7 .- Food cost and expenditures compared with total income per person, United States average 1/

Year and month	Food expenditures				Cost to consumer of fixed			
	As percentage of quantities of foods re pre-				senting average annual con-			
	Total	expendi-	tures	for	Total	expendi-	tures	for
	income:	goods	Actual:	income:	income:	goods	Actual:	income:
	services:	and	services:	and	services:	and	services:	and
	Dolls.	Dolls.	Dolls.	Pct.	Dolls.	Pct.	Pct.	
1935-39 average:	520	456	113	22	25	113	22	25
1941 .....	692	560	140	20	25	120	17	21
1942 .....	857	612	176	21	29	143	17	23
1943 -	Annual rates by months, seasonally adjusted							
Jan. ....	973	2/660	2/196	20	2/30	155	16	2/23
Feb. ....	991	2/683	2/196	20	29	156	16	23
Mar. ....	1,009	2/622	2/204	2/20	33	162	16	26
Apr. ....	1,023	2/668	2/193	19	29	166	16	25
May .....	1,028	2/723	2/203	20	28	167	16	23
June ....	1,020	2/685	2/203	2/20	2/30	166	16	24
July ...	2/1,048	2/709	2/217	2/21	2/31	164	16	2/23
Aug. ....	1,059	2/697	2/207	20	30	162	15	23
Sept....	3/1,059	3/672	3/204	19	30	162	15	24

1/ See notes in original table, p. 3, Apr.-May issue. 2/ Revised. 3/ Preliminary.

Table 8 .- Price spreads between the farmer and the consumer - food products,  
September 1943

Retail commodity	Table No. 1/	Retail		Farm equivalent		Farm value as	
		Unit	Price	Quantity	Value	Actual margin	percent- age of retail price
			Cents		Cents	Cents	Percent
Pork products...	11	1 lb. prin. pork products	29.2	1.90 lb. live hog	26.8	2.4	92
Dairy products...	12	100 lb. milk equivalent	426.1	100 lb. milk equivalent	257.9	168.2	61
Hens .....	13	1 lb.	44.5	1.11 lb.	28.0	16.5	63
Eggs .....	14	1 doz.	62.7	1 doz.	41.6	21.1	66
White flour....	15	1 lb.	6.2	1.41 lb. wheat	3.1	3.1	50
White bread....	16	1 lb.	8.8	.97 lb. wheat	2.1	6.7	24
Corn meal.....	17	1 lb.	5.9	1.5 lb. corn	2.9	3.0	49
Rolled oats....	18	1 lb.	8.7	1.78 lb. oats	3.9	4.8	45
Corn flakes....	19	8-oz. pkg.	6.6	1.275 lb. corn	2.5	4.1	38
Wheat cereal....	20	28-oz. pkg.	23.3	2.065 lb. wheat	4.5	18.8	19
Rice .....	21	1 lb.	12.7	1.51 lb. rough rice	5.4	7.3	43
Navy beans.....	22	1 lb.	10.2	1 lb. dry beans	5.7	4.5	56
Oranges.....	24	1 doz.	51.8	1/17 box	18.9	32.9	36
Potatoes.....	25	1 lb.	4.0	1 lb.	2.2	1.8	55
Apples.....	35	1 lb.	10.7	1 lb.	4.6	6.1	43
Lamb products...	37	1 lb. prin. lamb cuts	35.9	2.16 lb. live lamb	27.0	8.9	75
Sweetpotatoes...	38	1 lb.	10.2	1 lb.	4.2	6.0	41
Rye bread.....	39	1 lb.	9.6	.39 lb. rye & .64 lb. wheat	2.0	7.6	21
Whole wh. bread	40	1 lb.	10.1	.92 lb. wheat	2.0	8.1	20
Macaroni.....	41	1 lb.	15.7	1.72 lb. durum wh.	3.5	12.2	22
Soda crackers...	42	1 lb.	18.5	1.085 lb. wheat	2.4	16.1	13
Peanut butter...	44	1 lb.	33.4	1.73 lb. peanuts	12.4	21.0	37
58 foods combined	8	Annual family consumption	\$438	Annual family consumption	\$255	\$183	58

1/ Table numbers refer to numbering in original 1936 report and annual supplements  
entitled "Price Spreads Between the Farmer and the Consumer."

2/ Preliminary.

Retail prices from the United States Bureau of Labor Statistics.

Table 9.- Price spreads between the farmer and the consumer - food products, October 1943

Retail commodity	Table No. 1/	Retail		Farm equivalent		Farm value as percent- age of retail price	
		Unit	Price	Quantity	Value	Actual margin	
			Cents		Cents	Cents	Percent
Pork products	11	1 lb.prin.pork products	29.0	1.90 lb.live hog	26.6	2.4	92
Dairy products	12	100 lb.milk equivalent	425.1	100 lb.milk equivalent	2/262.1	163.0	62
Hens	13	1 lb.	44.1	1.11 lb.	27.3	16.8	62
Eggs	14	1 doz.	67.2	1 doz.	45.2	22.0	67
White flour	15	1 lb.	6.3	1.41 lb.wheat	3.2	3.1	51
White bread	16	1 lb.	8.8	.97 lb.wheat	2.2	6.6	25
Corn meal	17	1 lb.	5.9	1.5 lb.corn	2.9	3.0	49
Rolled oats	18	1 lb.	8.7	1.78 lb.oats	4.1	4.6	47
Corn flakes	19	8-oz.pkg.	6.6	1.275 lb.corn	2.4	4.2	36
Wheat cereal	20	28-oz.pkg.	23.4	2.065 lb.wheat	4.6	18.9	20
Rice	21	1 lb.	12.7	1.51 lb.rough rice	5.7	7.0	45
Navy beans	22	1 lb.	10.3	1 lb.dry beans	6.1	4.2	59
Oranges	24	1 doz.	51.8	1/17 box	17.6	34.2	34
Potatoes	25	1 lb.	4.1	1 lb.	2.1	2.0	51
Apples	35	1 lb.	10.6	1 lb.	4.3	6.3	41
Lamb products	37	1 lb.prin. lamb cuts	35.9	2.16 lb.live lamb	26.4	9.5	74
Sweetpotatoes	38	1 lb.	8.3	1 lb.	3.6	4.7	43
Rye bread	39	1 lb.	9.6	.39 lb.rye & .64 lb.wheat	2.1	7.5	22
Whole wh.bread	40	1 lb.	10.2	.92 lb. wheat	2.1	8.1	21
Macaroni	41	1 lb.	15.6	1.72 lb.durum wh.	3.6	12.0	23
Soda crackers	42	1 lb.	18.5	1.085 lb.wheat	2.4	16.1	13
Peanut butter	44	1 lb.	33.4	1.73 lb.peanuts	12.2	21.2	37
58 foods combined	8	Annual family consumption	\$ 440	Annual family consumption	2/\$256	\$184	58

1/ Table numbers refer to numbering in original 1936 report and annual supplements entitled "Price Spreads Between the Farmer and the Consumer."

2/ Preliminary.

Retail prices from the United States Bureau of Labor Statistics.



Table 10. - Price spreads between the farmer and the consumer - food products, retail price and farm value, October 1943

Commodity	Retail unit	Retail price			Percentage change to			Farm value			Percentage change to		
		1935-39: Oct. : Sept. : 1943			1935-39: Oct. : Sept. : 1943			1935-39: Oct. : Sept. : 1943			1935-39: Oct. : Sept. : 1943		
		Gents	Cents	Percent	Gents	Cents	Percent	Gents	Cents	Percent	Gents	Cents	Percent
Pork products	1 lb. prin. pork products	25.3	30.0	29.2	29.0	- 3	- 1	15.7	26.8	26.8	26.6	- 1	- 1
Dairy products	100 lb. milk equivalent	324.0	424.5	426.1	425.1	2/	2/	146.0	231.7	257.9	262.1	+13	+ 2
Eggs	1 lb.	31.7	42.4	44.5	44.1	+ 4	- 1	16.5	21.6	28.0	27.3	+26	- 2
	1 doz.	36.0	58.5	62.7	67.2	+15	+ 7	21.7	37.4	41.6	45.2	+21	+ 9
White flour	1 lb.	4.5	5.5	6.2	6.3	+15	+ 2	2.0	2.4	3.1	3.2	+33	+ 3
White bread	1 lb.	8.2	8.6	8.8	8.8	+ 2	0	1.3	1.7	2.1	2.2	+29	+ 5
Corn meal	1 lb.	5.0	5.1	5.9	5.9	+16	0	1.8	2.1	2.9	2.9	+38	0
Rollod oats	1 lb.	7.4	8.7	8.7	8.7	0	0	1.9	2.4	3.9	4.1	+71	+ 5
Corn flakes	8-oz. pkg.	7.8	7.0	6.6	6.6	- 6	0	1.6	1.8	2.5	2.4	+33	- 4
Wheat cereal	28-oz. pkg.	24.3	24.0	23.3	23.4	- 2	2/	2.9	3.6	4.5	4.6	+28	+ 2
Rice	1 lb.	8.2	12.5	12.7	12.7	+ 2	0	2.5	4.7	5.4	5.7	+21	+ 6
Navy beans	1 lb.	6.9	9.2	10.2	10.3	+12	+ 1	3.5	5.0	5.7	6.1	+22	+ 7
Oranges	1 doz.	31.5	44.5	51.8	51.8	+16	0	9.3	17.7	18.9	17.6	- 1	- 7
Potatoes	1 lb.	2.5	3.4	4.0	4.1	+21	+ 2	1.2	1.7	2.2	2.1	+24	- 5
Apples	1 lb.	5.5	6.2	10.7	10.6	+71	- 1	1.9	2.4	4.6	4.3	+79	- 7
Lamb products	1 lb. prin. lamb cuts	27.2	35.2	35.9	35.9	+ 2	0	16.2	25.6	27.0	26.4	+ 3	- 2
Sweet potatoes	1 lb.	4.4	5.6	10.2	8.3	+48	-1 9	1.5	2.0	4.2	3.6	+80	-14
Eye bread	1 lb.	9.1	9.2	9.6	9.6	+ 4	0	1.3	1.5	2.0	2.1	+40	+ 5
Whole wheat bread	1 lb.	9.3	10.0	10.1	10.2	+ 2	+ 1	1.3	1.6	2.0	2.1	+31	+ 5
Macaroni	1 lb.	15.0	14.1	15.7	15.6	+11	- 1	2.3	2.7	3.5	3.6	+33	+ 3
Soda crackers	1 lb.	16.9	16.6	18.5	18.5	+11	0	1.5	1.9	2.4	2.4	+26	0
Peanut butter	1 lb.	19.3	28.2	33.4	33.4	+18	0	6.1	10.0	12.4	12.2	+22	- 2
58 foods combined	Annual family consumption	\$332	\$414	\$438	\$440	+ 6	2/	\$141	\$224	\$255	\$256	+14	2/

Retail prices are 56-city averages as published by the United States Bureau of Labor Statistics - Farm values are calculated from U. S. average farm price.

1/ Preliminary 2/ Less than 0.5 percent

Table 11 .- Price spreads between the farmer and the consumer - food products, margins, and farm value as percentage of retail price, October 1943

Commodity	Retail unit	margin		Percentage		Farm value as percentage of					
		:		: change to		: retail price					
		: Oct. 1943 from:-		: Oct. 1943		: Oct. 1943					
		: 1935-39:		: Oct. 1942 :		: 1935-39: Oct. 1942 :		: Oct. 1943 :		: 1943 :	
		: average:		: 1943 :		: average:		: 1943 :		: 1943 :	
		: Cents		: Cents		: Cents		: Percent		: Percent	
		: Cents		: Cents		: Cents		: Percent		: Percent	
Pork products.....	1 lb. prin. pork	9.6	3.2	2.4	2.4	-25	0	62	89	92	92
: products											
Dairy products....	100 lb. milk equiv.	178.0	192.8	168.2	1/163.0	-15	-3	45	55	61	62
Hens .....	1 lb.	15.2	20.8	16.5	16.8	-19	÷ 2	52	51	63	62
Eggs .....	1 doz.	14.3	21.1	21.1	22.0	÷ 4	÷ 4	60	64	66	67
:											
White flour .....	1 lb.	2.5	3.1	3.1	3.1	0	0	44	44	50	51
White bread .....	1 lb.	6.9	6.9	6.7	6.6	-4	-1	16	20	24	25
Corn meal .....	1 lb.	3.2	3.0	3.0	3.0	0	0	36	41	49	49
Rolled oats .....	1 lb.	5.5	6.3	4.8	4.6	-27	-4	26	28	45	47
Corn flakes .....	8-oz. pkg.	6.2	5.2	4.1	4.2	-19	÷ 2	21	26	38	36
Wheat cereal .....	28-oz. pkg.	21.4	20.4	18.8	18.9	-7	÷ 1	12	15	19	20
:											
Rice .....	1 lb.	5.7	7.8	7.3	7.0	-10	-4	30	38	43	45
Navy beans .....	1 lb.	3.4	4.2	4.5	4.2	0	-7	51	54	56	59
Oranges .....	1 lb.	22.2	26.8	32.9	34.2	÷ 28	÷ 4	30	39	36	34
Potatoes .....	1 lb.	1.3	1.7	1.8	2.0	÷ 18	÷ 11	48	50	55	51
Apples .....	1 lb.	3.6	3.8	6.1	6.3	÷ 66	÷ 3	35	39	43	41
Lamb products ....	1 lb. prin. lamb cuts	11.0	9.6	8.9	9.5	-1	÷ 7	60	73	75	74
Sweet potatoes.....	1 lb.	2.9	3.6	6.0	4.7	÷ 31	-22	34	36	41	43
Rye bread .....	1 lb.	7.8	7.7	7.6	7.5	-3	-1	14	16	21	22
Whole wheat bread:	1 lb.	8.0	8.4	8.1	8.1	-4	0	14	16	20	21
Macaroni .....	1 lb.	12.7	11.4	12.2	12.0	÷ 5	-2	15	19	22	23
Soda crackers ....	1 lb.	15.4	14.7	16.1	16.1	÷ 10	0	9	11	13	13
Peanut butter.....	1 lb.	13.2	18.2	21.0	21.2	÷ 16	÷ 1	32	35	37	37
:											
58 foods	Annual family	\$ 191	\$190	\$183	1/\$184	-3	÷ 1	42	54	58	58
combined	consumption										

1/ Preliminary.



Table 12 .- Indexes of consumer income and of hourly earnings in marketing, 1935-39 = 100

Year and month	: Nonagri- : Monthly : Hourly earnings in marketing					
	: cultural : earnings : enterprises					
	: income : per em- : Class I :					
	: payments : ployed : steam : Food : Food : Cotton					
	: : factory : railways : processing : marketing : cessing					
	: 1/ : worker 2/ : 3/ : 4/ : 5/ : 4/					
1929 .....	122	118	93	-	-	-
1935-39 average...	100	100	100	100	100	100
1940 .....	115	111	105	110	105	106
1941 .....	137	132	106	116	110	119
1942 .....	169	166	119	128	120	139
1942 - Oct. ....	179	6/ 176	118	130	122	148
Nov. ....	184	5/ 181	121	131	123	149
Dec. ....	188	183	120	133	122	149
1943- Jan. ....	192	6/ 184	120	134	126	150
Feb. ....	195	5/ 187	123	135	127	150
Mar. ....	197	5/ 190	119	136	127	151
Apr. ....	200	5/ 193	120	136	128	151
May ....	202	5/ 196	120	139	129	152
June ....	205	5/ 196	119	140	130	152
July ....	208	5/ 194	119	140	130	152
Aug. ....	7/ 209	7/ 197	120	140	131	151
Sept. ....	7/ 211	7/ 201				

- 1/ United States Department of Commerce estimates. Adjusted for seasonal variation. Revised series. 2/ Prepared in the Bureau of Agricultural Economics from data of the United States Bureau of Labor Statistics, adjusted for seasonal variation. 3/ Compiled from data published by the Interstate Commerce Commission. 4/ United States Bureau of Labor Statistics. 5/ Weighted composite of earnings in steam railways, food processing wholesaling and retailing. 6/ Revised. 7/ Preliminary estimates..

Table 13 .- Cottonseed - Farm-to-mill sales price spreads and relative product values

Year beginning Aug. 1	: Value of: Farm : Farm value: Percentage of product value							
	: products: price : Actual: as percent: attributed to -							
	: per ton : per : margin: age of : Crude : Cake : : :							
	: of seed : ton : : product : oil : and : Hulls : Linters							
	: 1/ : 2/ : : value : : meal : : :							
	:Dolls. :Dolls. :Dolls. :Percent :Percent :Percent :Percent :Percent							
1935-39 average :	40.21	25.29	14.92	62.9	55.4	29.2	4.6	10.8
1941 .....	65.04	47.65	17.39	73.3	58.2	25.9	3.0	12.9
1942 .....	66.24	45.60	20.64	68.8	59.7	24.5	3.2	12.6
1943 - July ....	66.68	45.36	21.32	68.0	59.2	24.8	3.4	12.6
Aug. 3/...	71.42	49.21	22.21	68.9	55.3	29.5	3.5	11.7
Sept. 3/ :	71.21	50.60	20.61	71.1	55.5	29.2	3.5	11.8
Oct. 3/ :	71.21	51.78	19.43	72.7	55.5	29.2	3.5	11.8

- 1/ Mill product values on the basis of values reported for each season by the U.S. Bureau of the Census, interpolated and extrapolated by monthly wholesale market prices of the products. 2/ The monthly farm price is a weighted average of monthly prices received by farmers including several earlier months of farm sale to represent actual payment to farmers for seed crushed each month. 3/ Preliminary data.



Table 14.-Farm products: Indexes of prices at several levels of marketing,  
1935-39 = 100

Year and month	Foods				Fibre			Whole-		
	Cost	Retail	Farm	Whole-	Retail	sale	Farm	sale	Farm	Prices
	of	prices	prices	prices	prices	prices	prices	prices	prices	paid
	of	of	of	of	of	of	of	of	of	by
	city	all	prices	58	cloth-	textile	cotton	farm	all	farm-
	fa-	foods	2/	foods	ing	pro-	and	pro-	pro-	ers
	milies	1/		3/	1/	ducts	wool	ducts	ducts	3/
	1/					2/	4/	2/	3/	
1913.....	71	80	81	95	69	81	111	94	95	81
1914.....	72	82	82	97	70	77	97	94	95	80
1916.....	78	91	96	110	78	99	131	111	111	100
1918.....	108	134	151	174	128	193	281	195	190	141
1920.....	143	169	174	193	201	232	282	198	199	162
1929.....	122	132	126	138	115	127	167	138	137	123
1932.....	98	86	77	62	91	77	55	63	61	86
1935.....	98	100	106	98	97	100	109	104	102	100
1936.....	99	101	104	108	98	101	114	106	107	100
1937.....	103	105	108	113	103	107	111	114	114	105
1938.....	101	98	93	92	102	94	81	90	89	98
1939.....	99	95	89	89	100	98	85	86	88	97
1940.....	100	97	90	94	102	104	97	89	92	99
1941.....	105	1105	105	116	106	119	131	108	115	105
1942.....	116	124	126	148	124	136	178	139	148	122
1939 - Aug.	-	94	85	85	-	96	85	80	83	96
Sept.	101	98	95	95	100	101	91	90	92	98
1942 - Oct.	119	130	131	159	126	137	182	143	156	124
Nov.	120	131	131	161	126	137	184	145	158	125
Dec.	120	133	132	166	126	137	187	150	170	125
1943- Jan.	121	133	133	170	126	137	189	154	174	127
Feb.	121	134	134	174	126	137	188	157	171	129
Mar.	123	137	136	182	128	137	191	162	173	129
Apr.	124	141	137	185	128	137	192	163	175	130
May	125	143	140	185	128	137	192	165	176	131
June	125	142	139	184	128	137	192	166	179	132
July	124	139	136	181	129	137	189	165	174	133
Aug.	123	137	134	5/181	129	137	190	163	179	133
Sept.	124	137	133	181	132	137	193	162	179	133
Oct.	124	138	133	182	133	137	193	161	180	133

1/ From "Changes in Cost of Living" Bureau of Labor Statistics.

2/ Calculated from figures of the Bureau of Labor Statistics.

3/ Based on figures published by the United States Department of Agriculture.

4/ Cotton and wool prices weighted by production in the period 1935-39.

5/ Revised.

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